

(c) bonds in substitution for which other bonds have been authenticated and delivered pursuant to Section 2.11;

and, whenever such term is used with reference to any action or non-action which may be requested or taken by or to which objection may be made by the owners or holders of a specified percentage or proportion of bonds outstanding hereunder, or of bonds of a specified series outstanding hereunder, shall also except bonds directly or indirectly owned or held by or for the account of, or for the benefit or interest of, the Company or of any person, association or corporation directly or indirectly in control of, or controlled by, or in common control with, the Company.

PERMITTED ENCUMBRANCES:

As of any particular time any of the following:

(a) liens for taxes, assessments or governmental charges not then delinquent or the validity of which the Company is contesting in good faith (unless thereby in the opinion of counsel any of the trust estate will be in danger of being lost or forfeited), liens for workmen's compensation awards and similar obligations not then delinquent and liens for judgments, payment of which in the opinion of counsel has been adequately secured;

(b) any obligations or duties, affecting the property of the Company, to any municipality or public authority with respect to any franchise, grant, license or permit, provided, however, that such franchise, grant, license or permit does not give such municipality or public authority any right to purchase property at less than its fair value;

(c) building or building line restrictions or agreements, easements or reservations in any property of the Company for the purpose of roads, streets, pipe lines, sewer or gas lines or mains, water lines or ditches, telephone, telegraph or electric transmission lines and other like purposes and which, as shown by an engineer's certificate, do not impair the use of such property for the purposes for which it is held by the Company.

RESOLUTION:

A copy of a resolution certified by the Secretary or an Assistant Secretary of the Company under the corporate seal of the Company to have been duly adopted by its Board of Directors.

STOCKHOLDERS RESOLUTION:

A copy of a resolution similarly certified to have been duly adopted by the stockholders of the Company entitled to vote upon the subject of such resolution.

TRUSTEE:

Peoples National Bank of Washington in Seattle and, subject to the provision of Article Sixteen hereof, its successors as corporate trustee in the trust hereby created.

TRUSTEES:

Peoples National Bank of Washington in Seattle and E. L. Blaine, Jr., and, subject to the provisions of Article Sixteen hereof, their respective successors in the trusts hereby created.

TRUST ESTATE, MORTGAGED PROPERTY:

The assets of the Company now or hereafter subject or subjected to the lien of this Indenture.

UNDERLYING MORTGAGE:

A purchase money mortgage, vendor's lien, or an existing mortgage lien or other lien or charge (exclusive of permitted encumbrances) prior to the lien of this Indenture upon any property, plant or equipment acquired by the Company after the execution and delivery of this instrument.